

A photograph of a bright green electric car parked at a charging station. A black charging cable is plugged into the car's charging port. The car is parked on a light-colored wooden floor. In the background, there is a white wall with a black light fixture and a grey electrical outlet.

INVESTOR PLACE

MY EV SLEEPER STOCK OF THE DECADE

LUKE LANGO

How to turn the electric disruption of transportation into your million-dollar opportunity

When it comes to identifying next-generation breakthrough investments that could rise 100%, 200%, 500%, or more, I always come back to one saying:

“Where there’s disruption, ***there’s opportunity.***”

And one of the biggest opportunities happened during the internet boom.

Throughout the 1990s, the emergence of the internet rapidly disrupted how people across the globe worked, communicated, and played.

For many, it was a scary time. For many more, it was an exciting time, as the internet was unlocking a new world of possibilities.

But... for investors... it was an opportunity.

Specifically, it was a once-in-a-decade opportunity to invest early in emerging titans of the internet industry.

Like **Amazon (AMZN)**... when it was a \$438 million company in 1997...

It’s a \$1.6 TRILLION company today – representing a whopping **365,000%** return.

That means a mere \$1,000 investment in Amazon in 1997 would be worth more than \$3.6 million today.



Where there's disruption, there's opportunity – and the bigger the disruption, the bigger the opportunity.

Right now, we are on the cusp of an enormous disruption.

This disruption will fundamentally and entirely change the world's multi-trillion-dollar transportation work. In its wake, it will create new hundred-billion-dollar titans of the auto industry – most of whom are just tiny companies today.

This disruption is, in fact, not its first crack at the mainstream. It tried once before... in the 1870s, where it very nearly became a practical reality. Now, in 2020, the world is finally ready for it to disrupt the entire industry.

I'm talking about **electric vehicles**.



Long story short, the world's transportation network is rapidly being electrified. As I mentioned, this electrification wave is nothing new. And modern electric cars have been around for over a decade. To date, they've barely moved the needle – in 2019, only 2.1 million new EVs were sold, representing just 3.3% of the total global new car market.

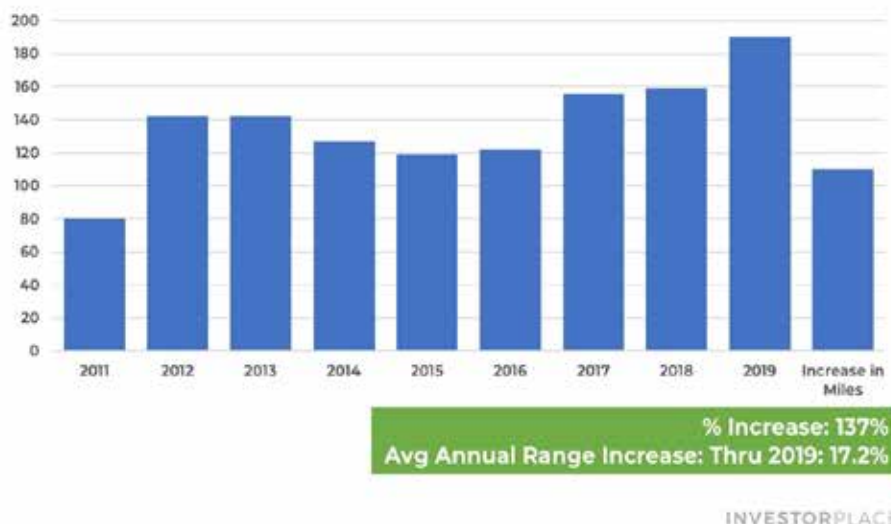
In 2021, however, ***multiple game-changing trends have converged*** to set the stage for the nascent EV market to rapidly march toward global ubiquity over the next decade.

Simply consider the following:

- ***Demand is shifting.*** Today's consumers are more aware than ever before of climate change, and consumers are increasingly aligning their purchasing decisions to “go green.” As a result, over 60% of prospective car buyers in the U.S. today want an EV – and that number is going up every single year.

- **Laws are changing.** Governments are also more aware than ever before of climate change and are increasingly enacting legislature to promote adoption of “green” technologies. More than 200 cities and counties across the world have a “100% clean energy” target for 2030, 2040, or 2050 – while districts on the cutting edge of green tech (like California and New Jersey) are outright banning gas car sales after 2035.
- **Tech is improving.** EVs used to be significantly limited by driving range. Thanks to major technological improvements on the battery front, that’s no longer true. The average range of an EV has increased 140% since 2011, with a fully charged EV now getting as much range as a gas car at 300-plus miles. Even further, gas cars aren’t increasing their driving ranges. EVs are, and rapidly – so by 2030, EVs will be able to drive significantly farther than gas cars.

BEVs (Available in the U.S.) Range Increases



- **Costs are falling.** EVs also used to be significantly limited by costs. That is, they have traditionally been far more expensive than gas cars. Again, though, this is no longer the case. Average EV prices have dropped 70% since 2010 and are now largely on par with gas cars. Economies of scale and technological improvements will unlock further cost reductions, and by 2030, EVs will be substantially cheaper than gas cars.
- **Supply is pivoting.** For years, auto industry incumbents were asleep at the wheel when it came to the EV revolution. Not anymore. Every major automaker in the world – from Ford to GM to Bentley – is making an all-out blitz into the EV category, in what will amount to an unprecedented surge in EV supply over the next decade.

The future couldn’t be any clearer.

EVs are on the cusp of fundamentally disrupting the entire multi-trillion-dollar auto market.

It's one of the biggest disruptions we have ever seen in the past 50 years – and, by extension, it's one of the biggest investment opportunities we have ever seen in the past 50 years, too.

The **right** investments in the EV sector will score investors 10X, 20X, even 30X returns over the next few years.

Note the emphasis above...

The **right** investments.

That's the thing about disruptive megatrends. You can't just invest in the megatrend. Although the internet did turn into a globally ubiquitous, multi-trillion-dollar industry, most internet startups in the 1990s went under. Only a handful actually turned into enormous long-term winners.

The same will be true about the EV space.

It will turn into a globally ubiquitous, multi-trillion-dollar industry by 2030. But there are a lot of EV startups today, and the reality is most of them will fail.

Only a handful will succeed – but those that do, **will generate Amazon-like returns.**

So... with that in mind... let's take a look at my single favorite stock in the explosive EV megatrend. It's a name that stands out from the pack for all the right reasons, and which has clear visibility to 10X gains.

The Hyperinnovative EV Company Disrupting Everything We Know About Cars

Electric vehicle stocks have been all the rage on Wall Street lately.

With **good** reason.

EVs represent the next generation of automobile transportation globally, and over the next decade, the combination of government support, falling costs, improving tech, and shifting consumer demand will pave the path for electric vehicles to take over the world.

But have you ever noticed how this next generation of vehicles looks a lot like the old generation?

That is, regardless of the EV model – Tesla Model X, Fisker Ocean, NIO's EC6, etc. – they all look like internal combustion engine (ICE) cars.

Four wheels. Four doors. Two seats up front. Three seats in the back. Front, back, and side windows...

Despite all the innovation happening in the electric vehicle space today, the design of the cars has *not* been reimaged.

Until now...

One company decided to quite literally reinvent the wheel.

And it's not just reinventing the design of the wheel. This tiny company is reinventing the wheel, the way we **make** the wheel, and the way we **sell** the wheel.

That's why we see this tiny company as the most innovative and forward-thinking EV maker in the world – a company that is on the **cusp of disrupting everything we know about autos**, and which represents the single best play on the EV megatrend...

What's the name?

Let's take a look.

On the Cutting Edge of Next-Generation Cars for the Self-Driving Era



We like to invest in innovation. Because, as we say all the time, innovation is the fuel of the future, and the future is an unstoppable force that waits for no one.

When it comes to innovation in the burgeoning electric vehicle space, freshly public **Canoo** (**GOEV**) has no rival.

Canoo is a very new (founded in late 2017), \$3 billion pre-production EV-maker based in Los Angeles.

The cool thing about Canoo is that this is **not** just another new EV maker. Instead, Canoo is attacking the transportation problem by entirely reimagining the auto market.

The first reimagination involves creating a new type of electric car which the company calls – you guessed it – **the canoo**.

This new canoo car is built on a modular skateboard foundation that is proprietarily designed to optimize the space of the vehicle. It has low floors, a wide base, and features the market's first steer-to-wheel platform – which essentially removes all the motors from the hood of the car and allows Canoo to push the front two passenger seats right to the front of the vehicle.

The result?

A car that ostensibly looks like a beetle – without a hood or trunk – but which is basically **a loft on wheels**.

It's spacious (188 cubic feet of passenger volume, versus 112 for a Tesla Model X). It's comfortable (it sits like a semicircle booth at a restaurant with tons of leg space). And it looks more like a small room than the interior of a legacy car.

We like this new design for *two* reasons:

First, there are tons of car owners out there who want more space in their vehicle, but either don't want, can't afford, or can't fit a bigger car. To those folks – we're thinking big families – this car makes a ton of sense. It optimizes interior space of a vehicle like nothing we've ever seen before.

Second – and more importantly – this car is built for **self-driving**.

Think about it. Today's cars *suck* for self-driving because they are designed to be driven. They aren't comfortable. Relaxing in them is tough to do. You can't really work or watch movies and TV shows.

The Canoo – as a room on wheels – is designed to do *all of those things*. It's semi-circle booth back with tons of leg-room and empty space is made for consumers to kick up their feet and watch a flick or pull out their laptop and get some work done.

To that end, this new car design could end up being the backbone of a new generation of self-driving cars that are more mobile entertainment hubs than transportation mediums.

And guess who owns the patents behind this proprietary skateboard architecture? **Canoo**.

What that basically means is that Canoo won't just sell a lot of its signature canoo vehicles to consumers. The company will also leverage its proprietary skateboard architecture to create a whole new line of commercial and utility EVs that are built to optimize interior/cargo space.

Those vehicles will sell quite well, too.



As if this revolutionary hardware innovation weren't enough, the company is also pioneering a new way to buy cars.

Traditionally, consumers either owned or leased a vehicle. Canoo is disrupting this status quo with a pure **subscription** model.

It's basically a direct-to-consumer leasing model, without a down payment and with a minimum term of just one month.

Say you want a Canoo vehicle. You download the Canoo app. You apply to be a member. Once approved, you pick your Canoo vehicle and time frame in months. You go and pick-up your Canoo, pay to use it every month, and return it at the end of the subscription.

This new **"Transportation-as-a-Service"** business model is genius for two reasons.

One, it's **significantly higher margin**. Because Canoo essentially "re-sells" the same vehicle multiple times throughout its life, the company generates significantly more revenue per vehicle than a legacy OEM, on the same cost basis, leading to 4X the margins on each vehicle.

Two, it **aligns with today's consumer interests**. Everything is a subscription these days. Your shopping (Amazon). Your movies (Netflix). Your music (Spotify). Your workouts (Peloton). Your kids' education (Chegg).

Why not your car?

Indeed, that's the direction we are headed – and Canoo is leading the way.

Zooming out, with Canoo you have arguably the most innovative EV maker in the world, with a proprietary hardware platform that could be the backbone of a new generation of self-driving cars, and a disruptive business model that could merge the burgeoning subscription economy with the rapidly changing auto market.

Sure, Canoo – with zero cars sold to-date and no cars planned until 2022 – is a moonshot.

But it's a moonshot worth betting on, because its innovative foundation has the potential to **unlock enormous long-term value**.

If you're looking for a differentiated, hyperinnovative way to play the EV megatrend, you should consider taking a position in Canoo stock today.

A handwritten signature in black ink, appearing to read 'Luke Lango', with a stylized, flowing script.

Luke Lango
Editor, *Innovation Investor*